

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Total)	
Holdings, Inc. for a Certificate of Service)	
Authority to Provide Non-Switched)	<u>Case No. TA-2009-0050</u>
Interexchange Telecommunications Services)	Tariff File No. YX-2009-0182
and to Classify Said Services and the)	
Company as Competitive)	

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission ("Staff") and for its recommendation respectfully states as follows:

1. On August 18, 2008, Total Holdings, Inc. ("Total Holdings" or "Company") filed with the Missouri Public Service Commission ("Commission") an Application requesting that the Commission issue an Order that: a) grants Total Holdings a certificate of service authority to provide interexchange, non-switched private line services only between exchanges and not within a local exchange telecommunications services; b) grants competitive status to these services and to the Company; c) waives certain statutory provisions and rules pursuant to Sections 392.361 and 392.420; and d) approves Total Holdings' initial proposed tariff after its submission.¹ The Company subsequently filed proposed tariff sheets bearing an effective date of October 9, 2008.

2. On August 26, 2008, the Commission issued its Notice Of Applications For Intrastate Certificates Of Service Authority And Opportunity To Intervene ("Notice Of Applications"), which, among other things, set a deadline of September 11, 2008 for applications to intervene in this matter. No requests to intervene have been filed.

¹ The Application states that the Company intends to do business in Missouri under the fictitious name, "GTC Communications."

3. On September 30, 2008, the Company filed a pleading requesting, in pertinent part, permission to amend its Application. Also on September 30, Total Holdings filed a notice of extension of the effective date of its proposed tariff to November 9, 2008. By order dated October 1, 2008, the Commission granted the Company's request for leave to amend the Application.

4. On November 3, 2008, Total Holdings filed a notice further extending the effective date of its proposed tariff to November 19, 2008. Also on November 3, the Company filed its Amended Application along with three substitute tariff sheets (Original Sheet Nos. 7, 9 and 10). The Amended Application broadens the scope of the requested certificate of service authority from "non-switched interexchange" to "interexchange" telecommunications services.

5. In the attached Memorandum (Appendix A), the Staff recommends that the Commission grant Total Holdings a certificate of service authority to provide interexchange telecommunications services. Sections 392.430 and 392.440 RSMo provide that the Commission shall grant an application for a certificate of telecommunications service authority upon a finding that the grant of authority is in the public interest.

6. The Staff also recommends that the Commission classify the Applicant and the services it proposes to offer in its Application as competitive. The Commission may classify a telecommunications provider or its services as competitive if the Commission determines it is subject to sufficient competition to justify a lesser degree of regulation. (Section 392.361.4 RSMo). The majority of the services a competitive company provides must be classified as competitive. (Section 392.361.3 RSMo²).

7. The Staff further recommends that the Commission: a) state in its order that, pursuant to Section 392.410, the authority conferred by the certificate of service authority shall

² as amended by HB 1779, effective August 28, 2008

be null and void unless it is exercised within one year of its issuance; and b) grant the interexchange and non-switched local exchange waivers listed in the Notice Of Applications. Upon request, the Commission may waive the application of its rules and certain statutes if the Commission determines that waiver is consistent with the purposes of Chapter 392, and shall waive certain statutes and rules. (Sections 392.185, 392.361.5² and 392.420² RSMo).

WHEREFORE, the Staff recommends that the Commission issue an Order: a) granting Total Holdings, Inc. the requested certificate of service authority to provide interexchange telecommunications service; b) stating that, pursuant to Section 392.410, unless exercised within a period of one year from the issuance thereof, authority conferred by the certificate of service authority shall be null and void; c) classifying Total Holdings and its interexchange service as competitive; d) granting the waivers requested by the Company, as set forth in the Commission's August 26, 2008 Notice Of Applications; and e) approving the Company's tariff, including the substitute tariff sheet (nos. 7, 9 and 10) filed November 3, 2008.

Respectfully submitted,

/s/ Dennis L. Frey

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 6th day of November 2008.

/s/ Dennis L. Frey